

END OF YEAR REPORT

Wisconsin

Department of Natural Resources
s. 128(a) Grant Accomplishments



Report Period

September 1, 2005 to
August 31, 2006





Introduction



This end-of-year report summarizes WDNR's use of its s. 128(a) grant money on state response programs and public record requirements from September 1, 2005, through August 31, 2006. The activities in this report are those included in the approved cooperative agreement work plan.

The Wisconsin Department of Natural Resources (WDNR) was awarded EPA Section 128(a) funds beginning on September 1, 2003, to enhance its state response program. This federal grant is used to support federal and state programs under the jurisdiction of WDNR's Remediation and Redevelopment (RR) program, including:

- high-priority leaking underground storage tanks (LUST);
- RCRA hazardous waste closures and corrective actions;
- state enforcement; and
- voluntary cleanup actions.

Financial Status

In September of 2005, EPA awarded WDNR \$1,409,536 in Section 128(a) funding for the period September 1, 2005, through August 31, 2006. Grant Financial Status Reports, submitted separately, indicate that WDNR had earned \$1,306,627 through June 30, 2006. Given the rate of earning through June 30, WDNR estimates it earned about \$1,500,000 in grant eligible costs during September 1, 2005 through August 31, 2006, or almost \$100,000 more than the grant amount. We report no slippage, work plan problems, cost overruns or adverse conditions, per 40 CFR part 31.40.

Contents of this Report

1. Reporting Period Highlights - page 2
2. Public Record Requirements - page 6
3. Timely Inventory and Survey - page 10
4. Oversight and Enforcement Activities - page 13
5. Mechanisms and Resources for Public Participation
 - Outreach - page 16
 - Financial - page 21
6. Mechanisms for Approval of Cleanup Plans, Verification and Certification - page 24
7. Attachments
 - Regional Brownfield Outreach Activities
 - Brownfields Report to the Wisconsin Legislature



1. Reporting Period Highlights

- A. Brownfields Legislation Enacted
- B. Revolving Loan Fund Activities
- C. Round Seven & Eight Site Assessment Grants
- D. Urban Reinvestment Initiative
- E. On-Line Map & Database
- F. Brownfields Report to the Wisconsin Legislature



A. Brownfields Legislation Enacted



Brownfield legislation signed into law by Governor Doyle became effective on June 3, 2006. Supporters included the Wisconsin Manufacturers and Commerce; the Alliance of Cities; the Wisconsin Counties Association; the Wisconsin Economic Development Association; 1,000 Friends of Wisconsin; the Brownfield Study Group and the departments of Commerce, Agriculture, Trade and Consumer Protection and Natural Resources.

During this report period WDNR began to implement the legislation through implementation plans described below.

• Land Use Controls –

The legislation changed the way that state agencies implement cleanup approvals (case closure) when the agencies impose land use conditions to address residual contamination. It also provided clarity as to who has long-term responsibility to maintain the land use control. The agencies no longer rely on deed restrictions to ensure that land use conditions are maintained. Instead, they have specific statutory authority to place land use conditions on a property, and the owner of the property (or another person who has a legally enforceable responsibility to comply with the requirements) is responsible for complying with the conditions set out by the state agency. These changes accelerate approvals, reduce transactional costs and provide a user-friendly, on-line method of informing the public - placing the land use information in WDNR's GIS Registry of Closed Remediation Sites.

The legislation did not change the environmental situations where the state requires land use conditions. Those three general situations are:

1. An engineered control must be maintained,
2. Further response is required if a structure that inhibited full investigation or cleanup of the contamination is removed, and
3. Land use is limited due to conditions such as industrial soil standards, and further environmental response is required if the land use changes.

In this report period WDNR has developed an outreach plan for land use controls, has planned modifications to our database, has met with the Wisconsin Land Title Association and has begun discussions with lending and real estate associations. We have also begun to make related changes to our Voluntary Party Liability Exemption (VPLE) procedures by modifying our Certificate of Completion.

- **Voluntary Party Liability Exemption (VPLE) for Solid Waste Facilities -**

The legislation expanded environmental liability protections that are available to local governments and to private parties who enter DNR's Voluntary Party Liability Exemption (VPLE) process. Previously, this liability exemption was only available for hazardous substance spill sites and a small subset of properties that contain certain types of landfills. The legislation broadened the types of properties which may be eligible for a VPLE to include waste disposal sites that are considered "unlicensed landfills."

In this report period WDNR has developed a detailed implementation plan that describes implementation tasks and schedules. We have identified guidance and template documents that need to be updated to implement these changes to the VPLE process. Field staff have received training on the legislation, and training is planned for other department staff. A list of licensed landfills which are excluded from participation in the VPLE process is being developed and will be made available to the public on the internet.

- **Local Government Liability Exemption for Solid Waste Facilities -**

The legislation also expanded liability protections afforded to local governments that acquire title to properties with an "unlicensed landfill" when they acquire property through tax delinquency, for blight or slum purposes, condemnation, or other specified purposes. The local government must continue to operate any existing monitoring or maintenance systems for the landfill and prevent unacceptable exposures to contamination. The same list of licensed landfills that is being developed for our VPLE process will help local governments understand where these unlicensed landfills are located.



- **Modifications to Environmental Remediation Tax Incremental Financing (ER TIF) -**



An ER TIF is a tax incremental district where the increase in property value following redevelopment is dedicated to repaying environmental expenses. The legislation made ER TIFs more useable and more consistent with other tax incremental districts in Wisconsin.

In this reporting period WDNR has prepared an implementation plan and provided training to staff on the ER TIF changes. We will coordinate our activities with the Wisconsin Department of Revenue to update our documents and on-line resources.

B. Revolving Loan Fund Activities

On February 14, 2006 the Wisconsin Brownfield Coalition began accepting applications to the four million dollar Ready for Reuse revolving loan fund managed by the RR Program. As of August 31, 2006, **the Coalition had received seven applications for a total of \$2,625,000.** Please see our section on Public Participation (page 21) for more information about our Ready for Reuse Revolving Loan Fund.



C. Round Seven & Eight Site Assessment Grants

WDNR awarded \$1.7 million in state dollars to fund 50 projects in the seventh annual round of Site Assessment Grants (SAGs). In addition to administering these grants, we updated our grant application form and instructions in preparation for the eighth round of these popular grants that provide seed money to local governments for demolition, environmental assessments, and removal of abandoned tanks and containers. Please see our section on Public Participation (page 21) for more information about SAG.

D. Urban Reinvestment Initiative Update

WDNR, the City of Milwaukee and the 30th Street Industrial Corridor Corporation made significant progress conducting site assessments in the 30th Street Industrial Corridor. This economically challenged area in north Milwaukee is the target area for \$400,000 in federal assessment funds to stimulate brownfield redevelopment. In addition to other activities described in our Public Participation section (page 22), **we completed 15 Phase I environmental site assessment reports and began Phase II sampling at three properties.**



E. On-Line Map & Database

In this reporting period we improved our GIS Registry of Closed Remediation Sites in order to clarify its role as Wisconsin's official repository for institutional controls and land use controls. In addition, we've undertaken important quality control measures in our on-line database that includes information on over 25,000 properties in Wisconsin.

Please see our section on Public Record Requirements (page 5) for more information about these map and database improvements.



F. Brownfields Report to the Legislature

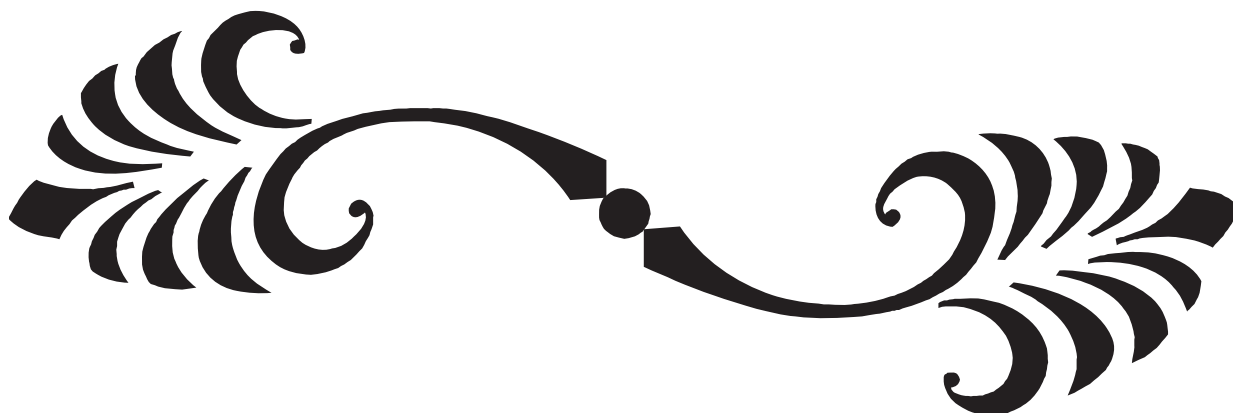
WDNR collaborated with the departments of Commerce and Administration to complete this report summarizing the legislative, financial and policy initiatives created and implemented by the State of Wisconsin since the passage of the Land Recycling Act in



1994. Momentum created by these legislative and policy initiatives has led to cleanup of hundreds of contaminated sites each year, with more and more properties being redeveloped by public and private entities. Local governments, developers and bankers are using the suite of brownfield tools available in Wisconsin's Brownfields Initiative, and each success helps spread the word to more communities.

In addition, the RR Program has:

- reviewed and approved **286** requests for case closure, thereby completing the investigation and cleanup process at contaminated properties, and
- satisfied **91** requests for redevelopment assistance, providing land re-use tools such as brownfield liability clarifications.



2. Public Record Requirements



WDNR's Remediation and Redevelopment Program maintains its statewide public records in our on-line database and mapping systems. Our public records, with information on over 25,000 contaminated and formerly contaminated properties in Wisconsin, fall into four primary areas:

- A. BRRTS Electronic Database**
- B. GIS Registry of Closed Remediation Sites**
- C. RR Sites Map**
- D. Acres Ready for Use**

A. BRRTS Electronic Database - We continue to utilize the Bureau for Remediation and Redevelopment Tracking System (BRRTS) to provide BRRTS on the web, a comprehensive, on-line searchable public record of contaminated properties. As hydrogeologists in our regional offices review the investigation and cleanup activities reported to us by responsible parties and their consultants, the new data is entered into BRRTS. BRRTS is on-line at <http://botw.dnr.state.wi.us/botw/Welcome.do>.

Among other details, the information displayed for each property in BRRTS includes:

- 1) name of the responsible party,
- 2) site address,
- 3) type(s) of contamination,
- 4) cleanup milestones,
- 5) redevelopment assistance (grants, liability clarifications, etc.), and
- 6) institutional controls.

Improvements to BRRTS on the web in this reporting period include:

- We completed a new function that allows the public to search by public land survey section (i.e. Town, Range, Section), and we quality checked all these locations through on-screen digitizing.
- We added to our data, importing new site data from the Wisconsin Department of Agriculture, Trade and Consumer Protection on contaminated agricultural sites and agricultural-related spills.
- We improved the quality of our enforcement data for both open and closed sites. This was a significant effort; we now show the resolution of many completed enforcement actions.

Internal database improvements this year included:

- Our staff can now search the database for multiple actions at one time. For example, we can search for emergency actions that have been followed by approval of the site investigation report. This, along with other enhancements, allows staff to better respond to public requests as well as to better review our data for quality control purposes.
- We made progress on our electronic data management (EDM) system for spills data. EDM should provide significant time saving in getting new spill information into our database and onto the internet, and will also improve compilation of spill data for reports.
- We further developed the planned financial module in our database. This module will eventually provide information on state funding activities such as brownfield grants and loans.

B. GIS Registry of Closed Remediation Sites - Often the sites in BRRTS become locations where the environmental cleanup has been completed and approved, and residual contamination exists in soil, groundwater or both. Those sites are then also entered into our GIS Registry of Closed Remediation Sites, an on-line map that provides users with information about the remaining contamination and any associated land use issues.

Improvements to the GIS Registry this reporting year include:

- We have updated and improved our on-line introduction to the Registry in order to clarify its role as Wisconsin's official repository for institutional controls and land use controls.
- We have continued our quality assurance activities in regard to these sites. These efforts have included defining sites closed with a groundwater use restriction prior to implementation of the GIS Registry, ensuring that we've completed quality control review for all sites on the Registry, making sure that all sites where quality control is completed are shown in the Registry and making sure that all appropriate fees to maintain the Registry have been paid.



C. RR Sites Map

Our on-line RR Sites Map provides users of our database an alternative to sifting through the data. The RR Sites Map displays thousands of contaminated and formerly contaminated properties on a statewide geographic information system (GIS) map. Each point on the map links to more information. This map helps local officials, environmental professionals and the public find contaminated properties in Wisconsin. The RR Sites Map is on the web at <http://dnr.wi.gov/org/aw/rr/gis/index.htm>.

In this year we've completed location of **over 96% of the contaminated sites in Wisconsin** on the RR Sites Map, more than 25,380 sites.

Users, including local governments, business and the public, may download detailed information by selecting a county of interest. As a quality check, the RR Sites Map also provides a list of known sites that have not yet been located on the map.



Improvements to our database, such as development of financial and liability modules, will eventually be reflected through new layers on our RR Sites Map. We expect to release this new GIS tool before the end of the calendar year.

D. Acres Ready for Use

Also new in this reporting period, WDNR has programmed its database to report on "Acres Ready for Use", a new parameter we've begun collecting along with requests for cleanup approval. Collecting this information helps elected officials and other decision makers see the value of brownfield cleanup through the acres of land that are ready to return to productive use and to the property tax rolls. Our **Acres Ready for Reuse more than tripled** from our mid-year report and now totals 1810 acres in this reporting period.



TABLE 1
SUMMARY OF PUBLIC RECORD ACTIVITIES

	Mid-Year Numbers	End of Year Numbers	End of Year Targets
Total LUST & non-LUST Sites in Wisconsin Database	not reported	>25,000	n.a.
Active Sites in Database (all cleanups still underway in all state agencies)	LUST 2764 non-LUST 2248 Total 5012	LUST 2542 non-LUST 2343 Total 4885	n.a.
Completed Cleanups by WDNR	236	286	350
Acres Ready for Reuse	567 acres , plus: 5 properties >100 acres 3 rights-of-way	1810 acres , plus: 7 properties >100 acres 4 rights-of-way	300 acres
Voluntary Party Liability Exemptions	143 Completed & Underway	8 Completed this Year 132 Underway	n.a.



3. Timely Inventory and Survey

The WDNR is using a portion of its s. 128(a) funds to inventory and survey the universe of contaminated sites in Wisconsin. In particular, the s. 128(a) funds are being used for:

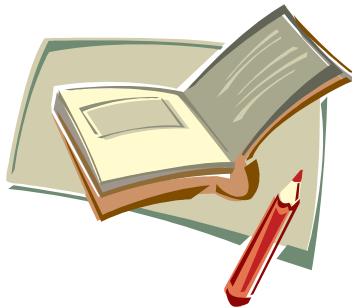


- A. Proactive Site Discovery**
- B. Evaluation of Historic Disposal Sites (Registry of Waste Disposal Sites)**
- C. Geo-Location of Contaminated Properties**

A. Proactive Site Discovery

Proactive site discovery has numerous components in Wisconsin. First, all staff routinely inform and educate those who cause contamination and those who own contaminated properties of their legal obligation to report the contamination to WDNR. Specific components of our proactive site discovery efforts follow:

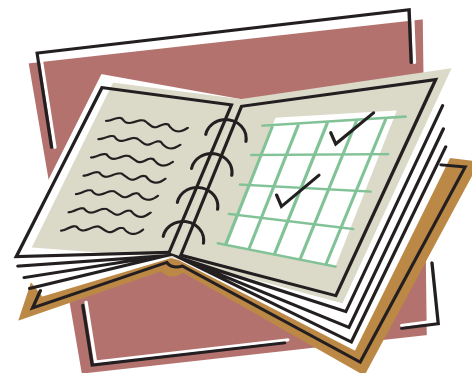
- Our financial incentives for investigation and cleanup of contaminated property encourage those responsible for the contamination to comply with their obligation to report it and take responsibility for it. In particular,
 - o Our state Site Assessment and Green Space & Public Facilities grants are a mechanism for communities to identify and notify the WDNR of contaminated properties.
 - o Our state dry cleaner reimbursement program includes outreach to the dry cleaning industry and other groups, such as municipalities, strip mall owners and business associations. This effort has identified new dry cleaner cases that have been added to our database.
 - o We help Wisconsin communities apply for EPA Brownfields Site Assessment Grants and ensure that newly discovered sites are added to our database.
- Our liability clarifications and liability exemptions ease the path for local governments and private parties that want to redevelop contaminated sites, increasing the likelihood that these sites will be reported to WDNR.
- We've developed a method within our database to track situations where the source of contamination can not be immediately identified. This helps us in future evaluations of potential sources of the contamination and in determining whether individual properties are impacting each other.
- WDNR evaluates groundwater-monitoring data for existing solid waste landfills. When these evaluations confirm a discharge to the environment, the site is entered into our database for follow-up.



B. Evaluation of Historic Disposal Sites (Registry of Waste Disposal Sites)

We are continuing our efforts to evaluate our list of historic list of waste disposal sites using a streamlined evaluation process. This effort is analogous to EPA's effort to reassess CERCLIS by actively evaluating or archiving the sites. We have successfully **completed evaluation of more than half of the more than 4,000 sites** where solid or hazardous wastes have been or may have been deposited. These sites are listed in our "Registry of Waste Disposal Sites", first printed in 1984. The end product of this review will assist the public in property transactions, help them make informed land-use decisions and help in the selection of public and private well locations.

As part of these evaluations, we review the accuracy and environmental significance of information in the Registry through both physical inspections of the sites and review of related state records. After evaluating each site, we ensure that any properties where there has been a discharge of a hazardous substance are in our database. Those where there appear to be no environmental impacts from historic waste disposal will be added to the landfill database maintained by WDNR's Waste and Materials Management Program.



C. Geo-Location of Contaminated Properties

We use s. 128(a) funds to help support permanent staff who coordinate the work of our part-time, state-funded employees completing the geo-location of contaminated properties in Wisconsin. We've made significant progress toward our goal of geo-locating all contaminated properties where an investigation of contamination has been completed. We have **placed 96% of them on our RR Sites Map**. We are also collecting geolocations for properties that have received our state Site Assessment Grants.

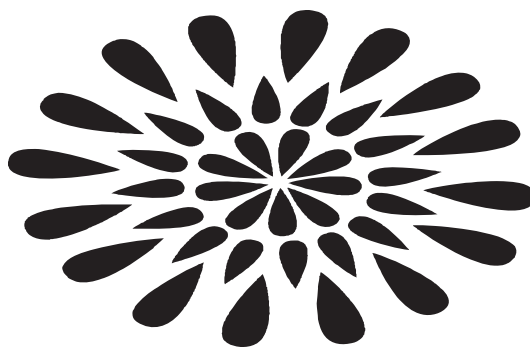
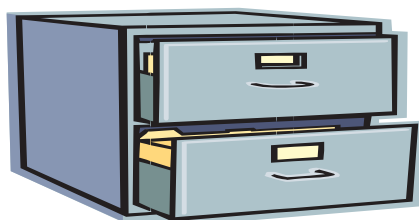


TABLE 2
Summary of Inventory and Survey Activities

	Mid-Year Numbers		End of Year Numbers		End of Year Targets
New Sites in BRRTS Database	LUST	95	LUST	178	200
	Non-LUST	97	Non-LUST	221	
	Total	192	Total	399	
Sites Added to GIS Registry of Closed Remediation Sites	425		798		500
Waste Registry Evaluations	156		427		250
Staff Hours per Waste Registry Evaluation	24		18.4		20
Sites Geo-located on RR Sites Map	1034		1804		1,000
Staff hours per Geo-location (includes quality control & scanning)	1.6		2.0		1.5



4. Oversight and Enforcement

Our oversight and enforcement activities fall into three primary areas:

- A. Pipeline Acceleration
- B. Audit of Institutional Controls
- C. Streamlining - One Cleanup Program



A. Pipeline Acceleration

WDNR continues to encourage sites with no recent activity to start, continue or complete their clean-up activities. Sites which fall under the pipeline acceleration initiative are those that have not made documented progress within the last two years, i.e. sites in our database where we have not recorded an action code in that time period. An action code represents an activity by the responsible party, such as submitting a site investigation report, or an action taken by the RR Program, such as approval of a remedial action plan.

We continue to make steady progress in reducing the number of sites without progress in the last two years. Currently, there are 1,784 sites with no activity recorded in the most recent two years (since August 21, 2004). **This is down 183 sites** from our mid-year number of 1,967. In the last year the RR Program sent 242 “push” letters to responsible parties restating the requirements for them to continue their environmental cleanups. This and other methods have resulted in **a total of 321 sites returned to activity**.

Table 3 - Pipeline Acceleration			
Column A	Column B	Column C	Column D (Column B minus Column C)
Year of Last Recorded Activity at Site	As of Sept. 1, 2005: # of sites with no activity since the year in Column A	As of Aug. 31, 2006: # of sites with no activity since the year in Column A	Number of Sites Moving Again
1986	66	48	18
1990	111	76	35
1994	218	159	59
1998	426	317	109
2002	1,255	934	321

B. Audits of Institutional Controls

WDNR has completed its third year of conducting audits of sites that were closed with institutional controls. This effort began in 2003, in response to concerns about the long-term viability of land use controls associated with cleanup approvals. These audits evaluate property owners' compliance with the conditions established at the time of cleanup approval in order to ensure that the required controls, such as pavement over a contaminated area, are maintained over the long term. An institutional control audit includes a review of the state's file on the cleanup, an interview with the site owner, a visit to the property and a written summary of results. We use our database to track the audits we have completed and whether any state follow-up action is needed based on the audit findings.



WDNR completed 50 audits this year. In general, the inspected sites were in good condition and in compliance with the requirements of their cleanup and case closure approvals. Of the 50 audits, 48 (96%) **required no follow-up action**. At the two sites that required follow-up, both owners had asphalt pavement over contaminated soil where the pavement showed some cracks. The audits found that the pavement needed to be sealed, and at one site a pothole also needed to be patched. One of the two property owners also needed to prepare a maintenance plan and keep an inspection log. In both cases WDNR sent audit letters to the property owners defining the actions they need to take. Staff time spent on the audits ranged from 6 hours to 15 hours per site, with the average total close to the upper limit of 15 hours.

C. Streamlining - One Cleanup Program Memorandum of Agreement



The One Cleanup Program (OCP) is an EPA initiative to encourage and improve cooperation among EPA cleanup programs and states, local agencies, and stakeholders. Its intent is to encourage brownfield cleanup and redevelopment by relieving concerns that state approvals could be superseded by federal actions. The WDNR already embodies this unified cleanup approach to the extent that state authority is available.

The draft memorandum of agreement (MOA) for Wisconsin's OCP has not been revised since April, 2005. Within the last six months, at least three discussions have taken place between WDNR and individuals in US EPA to try to resolve this stalemate. The topic of concern is the applicability of the MOA to those facilities in Wisconsin that have federally-issued RCRA operating permits. WDNR wants these facilities to be included in the MOA, and has explained to EPA that if these permits are not covered by the MOA, WDNR faces a major work effort to open and revise each of these dozen or so permits individually.

Reopening and revising these RCRA permits would consume significant staff time, with no compensating improvements to the environment. Quite possibly, if the permits are reopened, they could be modified to include less stringent conditions. This concern for including the federally-issued RCRA permitted facilities in the MOA is a make-or-break issue for WDNR.

If the proposed agreement can be signed, the MOA will clarify the roles and responsibilities of the state and EPA under three major federal cleanup laws: RCRA Subtitles C and I; the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA ,or Superfund) and TSCA. Currently the states of Pennsylvania and Florida have signed OCP agreements with EPA, and Wisconsin would become the third state with such an agreement if the current impasse can be resolved.

TABLE 4
SUMMARY OF OVERSIGHT AND ENFORCEMENT ACTIVITIES

	Mid-Year Numbers	End of Year Numbers	End of Year Targets
Pipeline Acceleration ("Push" Letters)	58	242	150
Audits of Institutional Controls	13	50	50
Staff Hours per Institutional Control Audit	16.8	14.9	15



5. Mechanisms and Resources for Public Participation

WDNR's public participation activities fall into two primary areas:

- A. Public Outreach Activities
- B. Financial Assistance



A. Public Outreach Activities

The WDNR continues to enhance its outreach capacities by funding staff to:

- develop outreach materials such as newsletters, brochures and electronic mailings;
- maintain the RR Program's comprehensive web pages;
- coordinate green team meetings with communities and other interested parties, make public presentations and market state and federal brownfield grants;
- fund five part-time staff to complete outreach work in communities throughout Wisconsin; and
- coordinate the meetings and work activities of the Wisconsin Brownfields Study Group.

Meetings and More

WDNR regional brownfield outreach staff held more than 80 meetings and/or gave presentations to key brownfields audiences, including local government officials, community organizations, environmental consultants and attorneys, and other interested parties.

These audiences included (but were not limited to) local officials from Adams, Dunn, Eau Claire, La Crosse, Monroe, Portage, Richland, Rock, Vernon, Washburn and Winnebago counties; from the villages of Augusta, Fall Creek, Knapp, Lake Hallie, New Lisbon, Oakfield, Owen, Turtle Lake, Waunakee and Wheeler; from the towns of Argyle, La Farge, Jim Falls, Lyndon Station, Madison, Ross, Sevastopol, Tilden, Viola and Westford; and from the cities of Abbotsford, Altoona, Ashland, Bloomer, Boyceville, Cornel, Eau Claire, Kaukauna, La Crosse, Manitowoc, Menasha, Menomonie, Milton, Milwaukee, Neilsville, New London, New Richmond, Oconto, Rhineland, Rice Lake, Ripon, Spooner and Superior.



Staff also met with officials and individuals with the Oneida Tribe, the Northwest Wisconsin Regional Planning Commission, Marion College, UW-Oshkosh, Kimberly-Clark, Washburn County Economic Development Commission, T Wall Properties, Gorman & Company, Milwaukee Journal-Sentinel, Blue Ribbon Feeds, Xcel Energy and the Canadian Pacific Railroad. Staff made additional contacts via telephone and email with more than 100 village, town and city officials and other stakeholders about state brownfield redevelopment tools.

In addition, RR Program staff across the state completed these outreach activities:

- held the N-E-W (North-East-Wisconsin) Brownfields Conference April 26 in Green Bay; sessions focused on local brownfield success stories and numerous walking/bus tours of redeveloped brownfields in the Green Bay area; with more than 90 attendees;
- held a consultant/local government training in the spring at the St. Croix Tribal facility in Turtle Lake; presenting brownfield information on SAG, Green Space, Ready for Reuse, the RR Sites Map, etc.;
- helped organized a SAG "Big Check" media event and presentation to city of Kewaunee for a \$75,000 grant;
- continued to prepare and plan for a brownfields seminar/mini-conference to be held in the Wausau area;
- continued our partnership with local officials and Milwaukee's 30th Street Industrial Corridor organization on implementation of EPA's \$400,000 brownfield grants for site assessment in this economically distressed area;
- continued outreach on the RR Program's new "Ready For Reuse" grant and loan program, which provides \$4 million in funding to communities for the cleanup and reuse of brownfields;
- conducted four quarterly meetings with private consultants in the RR Program's Technical Focus Group and held several smaller consultant "listening sessions" in various parts of the state;
- completed media packages on brownfield redevelopment and funding tools for media in West Central Wisconsin;
- staffed a booth at the Nicolet Area Technical College Earth Day Celebration; making contacts with local tribal members and conducting an interview with local radio;
- submitted 10 brownfield success stories which have been used in program newsletters, the internet and for various time-critical outreach materials; and
- wrote articles for state-wide and local publications, newspapers and association newsletters; and
- served as a brownfields educational resource for various universities and technical colleges.



Our Internet Presence

Our Contaminated Land database web pages, which includes BRRTS on the web and the GIS Registry, continue to be among our most requested web pages. BRRTS on the Web consistently scores in the top 10 most requested pages.



In this report period, we have created the following seven new web pages:

- Revolving Loan Fund web page, which includes application forms;
- Urban Reinvestment Initiative, describing use of our EPA site assessment grants;
- RR Sites Map, describing the GIS application of our site data;

- 2006 Brownfields Legislation Information, describing the four components of the law;
- Brownfields Dollars & Sense Conference Page, with on-line registration;
- Technical Focus Group, with agendas and meeting minutes; and
- Demolition & Asbestos Information, to help our state SAG award holders.

In addition, we've updated a total of 76 existing web pages.

News Releases, Newsletters and Publications

We produced these five state-wide news releases to more than 500 media outlets, as well as additional targeted outreach to local governments and other interested brownfield parties on these topics:

- Opening of WDNR's Revolving Loan Fund, Ready for Reuse, with \$4 million in brownfield grants and loans to local governments;
- Round 7 Award winners in WDNR's Site Assessment Grant (SAG) Program with \$1.7 million for local government entities to jump start brownfield projects;
- Opening of Round 8 of WDNR's Site Assessment Grants;
- Round 2 of WDNR's unique Green Space and Public Facilities Grant Program, providing \$1 million to help turn brownfields into public facilities as fire stations, parks and libraries; and
- Back-to-back Dollars & Sense seminars - "Show Me The Brownfields Money!" and "An Insider's Guide For Government Officials On Brownfields Real Estate Development".

The WDNR produced the following newsletters:

- Four editions of *Re News*, our quarterly newsletter, in September, December, March and June; as of June 1; 2006 *Re News* is now an electronic-only newsletter;
- Twenty-six *RR Reports*, electronic summaries of current brownfield announcements received by 740 subscribers;

We completed new publications dealing with:

- several successful brownfield redevelopments,
- WDNR's Green Space and Public Facilities Grants,
- WDNR's Dry Cleaner Reimbursement Fund,
- negotiated cleanup agreements,
- liability for lenders and individuals leasing contaminated property, and
- the process for building on abandoned landfills.

In addition, we updated six existing publications.



The Brownfields Study Group

The Brownfields Study Group is a non-partisan advisory task force established by the State Legislature in 1998. This group continues to meet and identify policy, fiscal and legal improvements to Wisconsin's brownfields initiatives, under the facilitation of the WDNR brownfield staff.



In the spring of 2006 Study Group members wrote letters of support and met with state legislators, urging passage of brownfields legislation that had been recommended by the group since 2000. This legislative included the four previously described brownfield provisions on land use controls, liability exemption for voluntary parties related to certain solid waste facilities, liability exemptions for local government related to certain solid waste facilities and improvement to the state's Environmental Remediation Tax Incremental Financing (ERTIF). Thanks in part to the Study Group, the Legislature passed the brownfields package and Governor Jim Doyle signed it into law on May 19, 2006. This was the first significant brownfields legislation outside of the state budget process to become law since the passage of the Land Recycling Act in 1994.

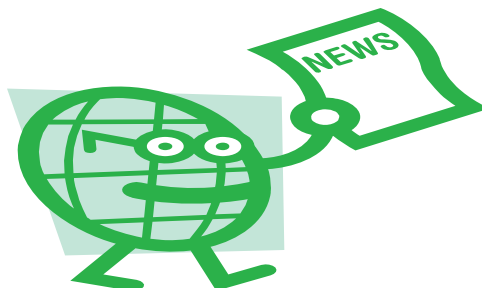
The Study Group met on June 22, 2006, at the Waunakee Community Center, home to the former Stokley U.S.A. brownfield site. Members and other participants worked on recommendations for the upcoming 2007-2009 State Biennial Budget and discussed other key brownfield issues, including:

- the overall fiscal health of the state's brownfields programs; a subgroup of interested parties met in May to further study this issue (see below);
- implementation of the new brownfields law by various state agencies;
- new reporting requirements from the General Accounting Standards Board (GASB);
- a 2007 Wisconsin brownfields "report card" from the American Society of Civil Engineers (ASCE);
- the upcoming brownfield real estate and financial training by DNR and EPA titled "Dollars and Sense";
- an update on Milwaukee's 30th St. Industrial Corridor project, using \$400,000 from EPA for assessments of brownfields in this economically distressed corridor; and
- updates on DNR's "Ready For Reuse" Grant and Loan Program, Site Assessment Grants, Green Space Grants and the Department of Commerce's Brownfield Grants.

In May, a financial subgroup met to discuss short-term and long-term funding stability for state brownfields staff and programs. The group created a broad list of tentative proposals, including increases in federal and state funding for many programs.



TABLE 5 SUMMARY OF PUBLIC PARTICIPATION ACTIVITIES - OUTREACH			
	Mid-Year Numbers	End of Year Numbers	End of Year Targets
Web Hits to RR Program	> 100,000 per month	> 100,000 per month	35,000
Press Releases	2	5	4
Newsletters	2 printed 15 electronic	4 <i>ReNews</i> 26 <i>RR Report</i>	4 <i>ReNews</i> 25 <i>RR Report</i>
Meetings with Stakeholder Groups	1 mtg. - Brownfield Study Group 2 mtgs. - Technical Focus Group	1 mtg. - Brownfield Study Group 4 mtgs. - Technical Focus Group	n.a.
Outreach Meetings with Local Governments	59	>80	40
New Publications	7	14	10
New & Updated Web Pages	4 new	7 new 76 updated	20 new or updated pages



B. Financial Assistance

Ready for Reuse Revolving Loan Fund

WDNR is administering Wisconsin's new \$4 million Ready for Reuse no-interest loan and grant program for the Wisconsin Brownfield Coalition, a partnership including the state departments of Commerce and Administration and Wisconsin's nine Regional Planning Commissions.



In this reporting period we've made excellent progress implementing our Revolving Loan Fund. We received six applications, which are summarized below. We have approved the loan application from the Fond du Lac Redevelopment Authority and two grant applications from the Village of Waunakee.

Hazardous Substance Loan Applications

Fond du Lac Redevelopment Authority*	\$400,000
City of West Allis	\$350,000
City of West Allis	\$1.2 million
Total Requested	\$1,950,000
Total Available	\$1,687,725

Hazardous Substance Grant Applications

Village of Waunakee*	\$200,000
Village of Waunakee*	\$200,000
Total Requested	\$400,000
Total Available	\$1,125,150

Petroleum Grant Applications

Village of Oostburg	\$50,000 - \$75,000
Total Requested	\$75,000
Total Available	\$375,050

* Approved

Our Ready for Reuse web page is at:

http://dnr.wi.gov/org/aw/rr/financial/epa_revolvingloan.html.

SAG Awards

WDNR completed the seventh annual round of Site Assessment Grants (SAGs) and announced opening of the eighth round. These grants provide seed money to local governments for demolition, environmental assessments, and removal of abandoned tanks and containers. The seventh round is funding 50 projects, nearly half in rural communities or counties. Nearly a third went to communities of fewer than 5,000 people.

These grants will fund projects on 94 acres of land, including 69 site assessments and investigations, demolition of more than 50 buildings or structures, and the removal of more than 120 tanks, drums, and other abandoned containers.

WDNR received requests for \$800,000 more than the \$1.7 million available, illustrating the continued strong demand for these “jump start” grants. Local governments have pledged more than \$1.1 million in additional funds for their projects, far above the 20 percent local match required of them.

Green Space and Public Facilities Grants

Our Brownfield Green Space and Public Facilities Grants provide funds to local governments for environmental remediation of brownfield properties that will be used for parks, recreation areas or local government facilities. The state budget allocated \$1 million for these grants, and in the spring of 2006 WDNR revised the application materials and helped local communities develop proposals. We received seven grant proposals from six Wisconsin municipalities by the deadline of July 21, 2006, totaling \$756,835. Because the total requested was less than the \$1 million available this biennium, we have decided to continue accepting applications until all funds are awarded or until March 31, 2007. The DNR expects to complete the review of the seven applications already received by November 2006.

Urban Reinvestment Initiative

WDNR, in partnership with the city of Milwaukee and the 30th Street Industrial Corridor Corporation, has made significant progress since receiving two \$200,000 federal brownfields assessment grants awarded in the fall of 2005. We are conducting site assessments in an economically challenged area in north Milwaukee.



Activities accomplished in this reporting period include:

- signing a cooperative agreement with EPA;
- developing and signing an intergovernmental agreement with the city of Milwaukee to utilize its pre-qualified consultants to conduct site assessments;
- informing neighborhood organizations through meetings and publications and collecting suggestions of properties for site assessments;
- developing a list of properties within the Corridor where Phase I and II ESAs will be conducted;
- establishing and maintaining a web site describing the 30th Street project;
- setting up a GIS system to track changes in several economic, social, and political attributes of the 30th Street Corridor;
- sending property profiles to the Region 5 project manager in support of site eligibility;
- participating in the startup meeting of state agencies involved in the Urban

Reinvestment Initiative;

- developing a list of properties within the Corridor where Phase I and II ESAs will be conducted;
- holding monthly conference calls or meetings with the coalition partners;
- **completing 15 Phase I Environmental Site Assessment Reports;** and
- **beginning Phase II sampling at three selected properties.**

Our Urban Reinvestment web page is at
<http://dnr.wi.gov/org/aw/rr/brownfields/uri-30th-street.htm>

Support for Federal Brownfield Grants

WDNR continued to provide support for Wisconsin communities seeking and utilizing federal brownfield assessment, cleanup and revolving loan fund grants. In this reporting period we wrote eight state letters of support for applicants seeking a total of 16 new grants. In addition, **we made eligibility determinations for thirty-five properties** where those awarded grants wished to utilize their federal petroleum assessment grants.

Federal Tax Deduction Requests

WDNR issued a total of six certification letters during this reporting period, allowing taxpayers to deduct qualified environmental remediation expenditures from federal income taxes in the year the expenditures were paid or incurred.

Wisconsin continues to lead the nation in these deductions, with a total of 35. We continue to receive inquiries regarding whether this deduction may once again be extended beyond its expiration date.



TABLE 6
SUMMARY OF PUBLIC PARTICIPATION ACTIVITIES - FINANCIAL

	Mid-Year Numbers	End of Year Numbers	End of Year Targets
Site Assessment Grants	69 applications reviewed 50 awards made	69 applications reviewed 50 awards made	45 awards
EPA Brownfield Grants - Support Letters	8 support letters for applicants seeking 16 grants	8 support letters for applicants seeking 16 grants	support 10 applications
EPA Brownfield Grants - Eligibility Determinations	7 properties	35 properties	15
Federal Brownfield Tax Deduction Certifications	3 certifications	6 certifications	n.a

6. Mechanisms for Approval of Cleanup Plans, Verification and Certification

Our mechanisms for approval of cleanup plans, verification and certification fall into three primary areas:

- A. Completed Cleanups
- B. Redevelopment Assistance
- C. Liability Exemptions



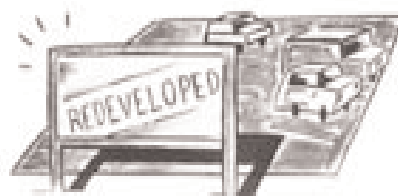
A. Completed Cleanups

A completed cleanup means that WDNR has reviewed all relevant technical submittals related to environmental investigation and contaminant remediation activities, and found them satisfactory. In many cases the regional office uses a technical committee to ensure consistency in case closure decisions. The regional hydrogeologist signs and sends a case closure letter to the responsible party after cleanup approval, and the region also enters the case closure information into our database of contaminated properties. We report the number of locations in our database with completed cleanups, not each individual cleanup action. We are using our state funds to develop and enhance this element of our program. **In this reporting period WDNR approved 286 completed cleanups.**

B. Redevelopment Assistance Actions

WDNR provides redevelopment assistance that removes some of the disincentives to redeveloping contaminated property, including:

- 1) general liability clarification letters,
- 2) liability clarifications for lessees,
- 3) liability exemptions when contamination originated on another property,
- 4) lender liability exemptions,
- 5) approvals to build on abandoned landfills,
- 6) cleanup agreements for property tax cancellation, and
- 7) cleanup agreements for tax foreclosure reassignment of ownership.



In this reporting period WDNR provided 91 redevelopment assistance actions.

C. Liability Exemptions



A Voluntary Party Liability Exemption (VPLE) follows a thorough environmental investigation and cleanup at a contaminated property. This fee-based option is provided in state law and removes future liability for the specified response action. WDNR issues the liability exemption in the form of a Certificate of Completion, which can be passed along to future owners of the property. The certificate can help with real estate transactions where prospective purchasers have concerns about contamination, assuring them that the entire property has been cleaned up to the satisfaction of WDNR. **In this reporting period WDNR approved eight new Certificates of Completion.**

TABLE 7 SUMMARY OF MECHANISMS FOR CLEANUP APPROVALS, VERIFICATION AND CERTIFICATION			
	Mid-Year Numbers	End of Year Numbers	End of Year Targets
Completed Cleanups	236	286	350
Redevelopment Assistance Actions	52	91	150
New Requests to enter VPLE Program	9 new	20 new	20 new
Voluntary Party Liability Exemptions - Certificates of Completion	3 1) Town of Grand Chute (Wheeler) 2) City of Superior (Always Avail. Roll Off) 3) City of New London (Simmons)	8 1) Wheeler Property 2) Always Avail. Roll Off 3) Simmons Products, Inc. 4) Algoma Hardwoods Inc. 5) Ray O Vac Corporation 6) Wisconsin Gas Company 7) Evenflo Company 8) Westby Cenex Bulk Plant	10 Certificates

